



Mail Service Business Line
FISCAL YEAR 2004 – 2008 PLAN

March 2, 2004

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This Business Plan describes the history, organization, planning, objectives, and operations of the Mail Service Business Line in the Department of Energy's (DOE) Working Capital Fund (WCF), and is organized according to Balanced Scorecard (BSC) planning concepts. This plan uses the trends and lessons learned from the WCF's first seven years of operation to meet DOE and Office of Management, Budget and Evaluation (ME) strategic goals, and describes performance measures that will result in a more efficient and more customer-oriented Business Line.

The Mail Service Business Line provides a variety of mail services for all official and other authorized mail for DOE and its employees. The services provided include the processing of all incoming postal mail, outgoing official mail, internal mail processing, and special services including: accountable mail processing, pouch mail, a variety of overnight express mail services, directory services, and pick-up and delivery services. Mail Centers are found at the following locations:

- Forrestal Building—Room GL-084:
1000 Independence Avenue, SW
Washington, DC 20585
- Germantown Building—Room E-066:
19901 Germantown Road
Germantown, MD 20874
- 270 Corporate Center—Room 1003:
20300 Century Boulevard
Germantown, MD 20874

Mission: To provide for the processing of all incoming postal mail and outgoing mail service within DOE HQ.

Vision: Provide cost-effective mail services that meet the changing needs of our mission programs and exceed customer expectations.

Balance Score Card Objectives:

- **Customers:** Improve customer satisfaction.
- **Financials:** Reduce customer's mailing costs.
- **Internal Processes:** Streamline internal processes and apply best practices and technology advancements.
- **Learning and Growth:** Enhance the effectiveness, knowledge, and satisfaction of Mail Service Business Line employees.

Accomplishments

The following are some of the accomplishments of the Mail Service Business Line:

- The DOE Mail Management hosted the GSA Quarterly Mail Forum with over 100 federal mail managers and mail operations personnel .

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- The DOE Mail Management hosted the USPS Government Mail Advisory Committee quarterly meeting .
- Processed the Department-wide Mail Management & Mail Security Report and forwarded to General Services Administration.
- New Mail delivery /mail service to 955 L'Enfant Plaza was completed.
- Most incoming US Post Office mail for DOE HQ is process first at the Forrestal location to insure proper safety and security of all HQ mail.
- All Standard Operating Procedures (SOP's) for the Mail Service operation have been updated.

For more information on Mail Services please visit

www.ma.mbe.gov/admin/MailOperations .

Planning Process: The key performance objectives of the business line are:

- To improve procedures for billing;
- With advancement in technology and budget constraints, continue to reduce costs of a mail stop;
- Seek more vendors that can express same day mail delivery to most major cities, and two days international;
- Resolve any outstanding issues;
- Continue to use state-of-the technology and equipment, while evaluating replacement versus costly repairs of inefficient, obsolete equipment.
- Benchmark with other federal and local government agencies and private companies to stay current with any Mailing changes, advancements and improvements.

We implement pricing policies that are based on the guidelines provided in the *Working Capital Fund Guide to Services, Policies and Procedures 2002* (the Blue Book or at website www.ma.mbe.doe.gov/wcf).

Environmental and competitor analysis: Events linked to terrorism have impacted the mail business, causing business line managers to change processes to ensure the safety of mail business employees as well as the larger DOE community. Although GSA has the federal leadership in mail security, the DOE has a working group made up of the Office of Security, the DOE Health Center and Building and Mail business line employees. This working group addresses DOE mail security issues and works with the GSA to develop plans to protect federal employees and their workplaces.

Many Program Offices are identifying methods to reduce their mailing costs. An immediately available method is to increase the use of electronic mail. Although electronic mail cannot replace the need for, and versatility of, mailing services, it is clear that the information age has given customers more tools to meet their communication needs. The Mail Service Business Line has identified bulk mailing as a market area where our knowledge and expertise can be utilized to provide cost effective services to

our customers that is not otherwise available. The Mail Service Business Line has begun planning to provide more comprehensive, lower cost bulk mailing options for its customers.

External regulation and partnerships: The Mail Service Business Line is dedicated to utilizing vendors mandated by the Javits, Wagner, O'Day Act (National Institute of the Blind, and National Institute of Severely Handicapped), as well as the General Services Administration. The Business Line also supports economically and socially disadvantaged firms in the Small Business Administration program.

Resources and capabilities of the organization: The management team is comprised of individuals whose backgrounds consist of over 47 years of corporate knowledge in mail services. In addition to the management team, the support services contractors form a major resource available to the Mail Service Business Line. DidLake Inc., a contractor resource, provides support and management services for the Mail Service Business Line.

Needs and capabilities of customers: Our customers validate key information, such as the number of mail stops, at the beginning of each fiscal year and pay an annual mail stop cost of \$11,880 per stop. We then work with the customer to adjust these charges, if necessary, on a semi-annual basis. United States Postal Service charges and Express Service charges are billed monthly, based upon actual usage. Customers pay for indirect charges related to Express Mail Labor and USPS Outgoing Labor cost based on their percentage of usages for prior six months. Customers pay Mail Security based on their percentages of incoming USPS mail over the previous six-month period.

Future competitive advantages: The Mail Service Business Line plans to achieve cost savings by teaming with other agencies in combining outgoing mail. Such teaming arrangements will allow the business line to obtain lower mailing rates than would be possible based on current bulk mail items.

Balance Score Card Elements

Customer Objective: Improve Customer Satisfaction.

Our customers value quick and accurate delivery of mail, good service delivery for express mail and other delivery services, in addition to mail security and safety. In order to measure our performance related to these customer values we survey key customer managers for their satisfaction with our overall service. The results are reproduced below for the *2003 Customer Satisfaction Survey*

The business line is continuously evaluating methods to reduce processing and delivery time. This includes new sorting methods, optimizing delivery routes, and procuring new sorting equipment.

Performance Goal	Performance Standard
Improve customer service	Zero customer complaints regarding on-time delivery of mail.

Baseline:

2003 HR Customer Satisfaction Survey

Customer Satisfaction Responses (A total of 100 responses received)

RESPONSE	NUMBER RESPONDING	PERCENT
Excellent Service	25	25%
Very Good	65	65%
Good	6	6%
Fair	4	4%
Don't Know	0	0%

Strategies for Improving Customer Satisfaction	Fiscal Year				
	2004	2005	2006	2007	2008
Conduct customer survey	X	X	X	X	X

Financial Objective: Reduce customer's mailing costs.

Internal Mail. Improve performance of support contractor by increasing value of services to customers and gaining efficiency in current operations. These contractor costs are fixed in the short run but due to irregular levels of activities there are slack resources in this staff. These resources can be better utilized by reassigning them to other tasks, either in the business or outside of the business. Within the business there are new activities related to internal program mail services and sorting outgoing mail into larger lots to take advantage of bulk mail discounts. Outside of the business there are opportunities to use these resources in other Fund businesses, for example, the Copier and Printing businesses. The measure of this productivity improvement is the actual cost of work performed compared to the budgeted cost of work performed.

Bulk Mail. The term "bulk mail" refers to quantities of mail prepared for mailing at reduced postage rates. The Postal Service uses the terms "bulk" and "presorted" interchangeably. Bulk rates are discounted from "single-piece" rates. "Single-piece" means that you pay the full postage rate; when you put a 37 cent stamp on a letter, you're paying single-piece rate. Many mailers pay single-piece rates even though they are doing large mailings because they don't want to do any extra preparation work. They don't have the time, or it's just not cost effective.

The Postal Service offers discounts for bulk mailings because you do some of the work that otherwise would have to be done by the Postal Service (for example, sorting the mail by ZIP Code or transporting the mail to a different postal facility).

The Mail Service Business Line is committed to working with our customers to identify ways that they can take advantage of discounted bulk mail rates. This could mean combining the mail from several offices to meet the minimum requirements for bulk rates or employing other cost saving strategies.

Performance Goal	Performance Standard
Reduce mail costs for program offices.	Improve contractor productivity.
	Increase the use of presorts mail services.

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Baseline:

FISCAL YEAR	NUMBER OF OFFICES USING BULK MAIL SERVICES
2000	4
2001	5
2002	5
2003	5

Strategies for Improving Financial Efficiency	Fiscal Year				
	2004	2005	2006	2007	2008
Review customer needs to identify needs and requirements related to domestic and international mail.	X	X	X	X	X

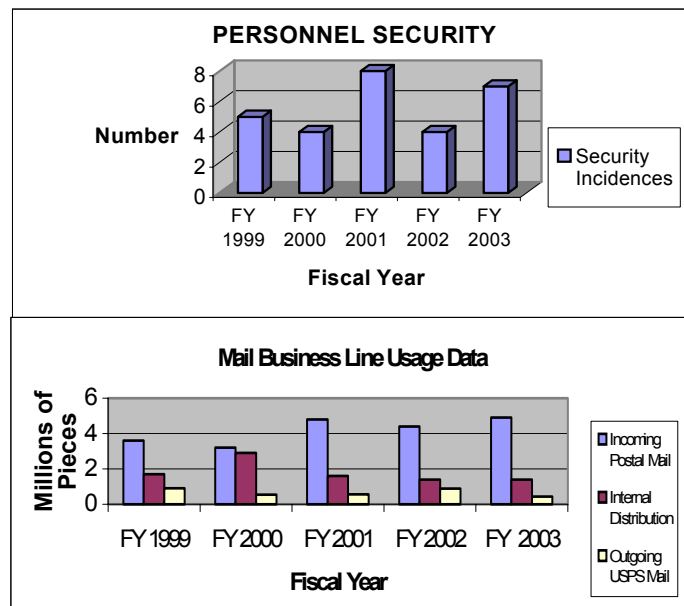
Internal Processes Objective: Streamline internal processes and apply best practices and technology advancements.

A security incident is defined as an incident with mail that could pose a immediate threat to the health, safety, and well-being of DOE employees. Mail is screened using several different methods. The business Line work closely with DOE security personnel and other trained personnel.. Because safety and mail security are top priorities of the Mail Service Business Line, all mail staff are trained on security issues. We believe that a well-trained and educated work force is the first line of defense, and also the most efficient and cost effective.

In response to threats in the mail, the business has changed its processing to add a security check of certain mail before it is sorted in the mail room. This change has resulted in three additional security incidences, all innocuous, in FY 2003. This increase in security incidences has no impact on mail employees, in fact, it has made the workplace safer for the entire DOE community.

Performance Goal	Performance Standard
Improve personnel safety	Establish improved sensing/ID processes for incoming mail.

Baselines:



Strategies for Improving Internal Processes	Fiscal Year				
	2004	2005	2006	2007	2008
Attend training focused on mail safety and security	X	X	X	X	X
Benchmark internal processes against other federal agencies	X	X	X	X	X

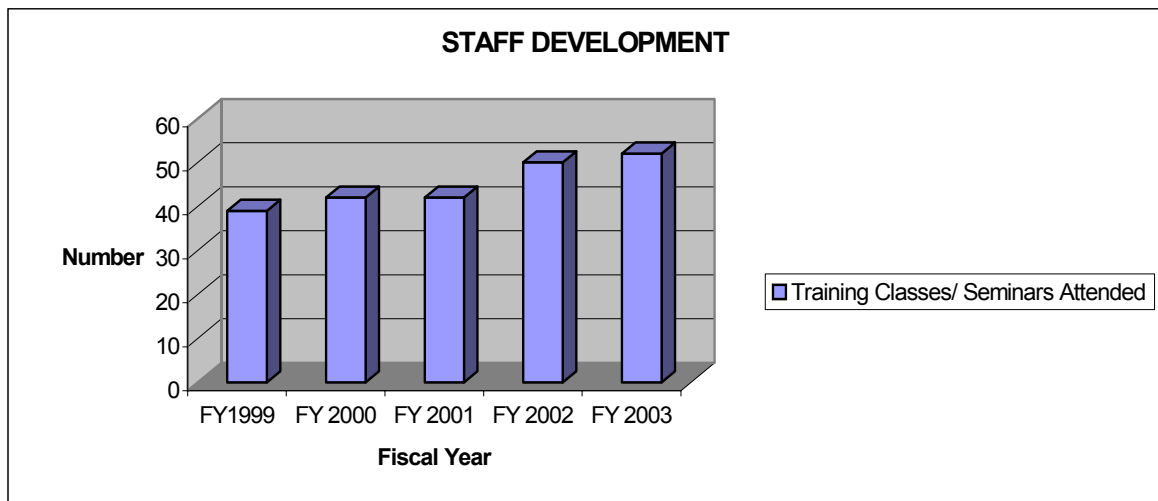
Learning and Growth Objective: Improve the skills of all staff

Well-trained and highly skilled staff are better equipped to provide outstanding service to the business line's many customers. To achieve this, the business line will develop and implement a comprehensive training program that exposes staff to classes on computers, mailing equipment and best practices in the postal industry.

We have performed an annual review of current and proposed Business/Operational drivers and we have determined training and development needs for this business.

Performance Goal	Performance Standard
Fully train and develop staff 100% of federal staff has IDP	100% of staff attends at least 5 classes or seminar per quarter.

Baseline:



Strategies for Improving Employee Learning and Growth	Fiscal Year				
	2004	2005	2006	2007	2008
Develop specialized training schedules for each employee	X	X	X	X	X